

Agency:	107 Health Care Authority
Decision Package Code/Title:	PL-KP State Health Care Innovation Plan
Budget Period:	2014 Supplemental Submittal
Budget Level:	PL – Policy Level

Recommendation Summary Text

PLACEHOLDER

The Health Care Authority (HCA) requests support in implementing a five year innovation plan to help transform public and private health care purchasing and delivery of health care in Washington State to produce better health, better care, and lower costs for Washingtonians.

Package Description

Background

In February 2013, Washington State was awarded a nearly \$1 million innovation model pre-testing grant from the federal Center for Medicare and Medicaid Services Innovations (CMMI) to fund the collaborative development of a State Health Care Innovation Plan (SHCIP).

The innovation plan is intended to:

- Focus on strategies that have demonstrated ability to produce improved health outcomes with lower cost, or are very promising.
- Focus on strategies that can be sustained after any potential future testing grant funding has ended.
- Aim first where there are indications of system and community readiness.
- Support a culture of innovation, learning and community collaboration among and across governmental and private organizational settings.

The Health Care Authority is the lead state agency responsible for coordinating this effort which includes the participation and executive oversight of state agencies and boards, including:

- Department of Commerce
- Department of Health
- Department of Labor & Industries
- Department of Social & Health Services
- Governor's Office of Health Policy
- Health Information Exchange Board
- Office of Financial Management
- Office of the Insurance Commissioner
- State Board of Community & Technical Colleges

The planning process began April 1 and will conclude in November with the submission of the Washington State Health Care Innovation Plan to CMMI. Key deadlines include:

- July 31, 2013 — The state health care innovation plan outline submitted to CMMI by HCA can be accessed at: <http://www.hca.wa.gov/shcip/Documents/outline.pdf>. The outline is preliminary and is evolving as stakeholders provide comments and questions.
- September 30, 2013 — Development of a working draft plan for review.
- October 15, 2013 — Key points of the draft plan will be presented during a public webinar.
- November 2013 — Submission of the final plan to CMMI.

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Current SHCIP Plan Focus

This planning process has evolved to focus on two “streams” of work:

- A whole-person approach designed to promote well-being and the elimination of systemic barriers to health and recovery. This approach includes individuals at risk for or experiencing mental health challenges and substance abuse.

- A multi-payer, purchaser and provider transformation, to include innovations related to:
 - Payment approaches supporting coordinated care
 - Evidence-based care reducing unwarranted variation
 - Consumer engagement
 - Infrastructure
 - Strength in purchaser alignment and influence

The fiscal costs to implement the plan are currently indeterminate as the plan is in development. The fiscal cost will be dependent on the final recommendations and the impacts to affected agencies.

Questions related to this decision package should be directed to Marcia Wendling at (360)725-1836 or at marcia.wendling@hca.wa.gov.

Fiscal Detail/Objects of Expenditure

The fiscal costs to implement the plan are currently indeterminate as the plan is in development. The fiscal cost will be dependent on the final recommendations and the impacts to affected agencies.

One operational element that will be critical to the successful implementation of the plan will be the creation of a core governance and implementation team to continue coordination of the health reform transformation, in alignment with the final plan and the Governor’s vision for Washington State. HCA assumes the agency will require dedicated staffing to drive, develop and support the administration and implementation of the State’s health care innovation plan components. Over the next five years, this team will collaborate with and support purchasers, payers and providers in both the public and private sectors across the state to test CMMI aligned payment and delivery models. This team will also help improve data reporting and analytics to evaluate key measures and transformation performance.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Upon completion of the SHCIP, HCA should have identified strategies that will improve health care outcomes and reduce costs.

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Performance Measure Detail

Activity Inventory

H001 HCA Administration

H005 HCA National Health Reform

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This request supports HCA vision to improve the health outcomes with lower costs for Washingtonians.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this directly supports Governor Inslee's Results Washington - Goal 4: Healthy and Safe Communities, and Goal 5: Effective, Efficient and Accountable Government.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes, this directly supports Governor Inslee's Results Washington - Goal 4: Healthy and Safe Communities, and Goal 5: Effective, Efficient and Accountable Government. Funding this request allows HCA to continue development of the plan.

What are the other important connections or impacts related to this proposal?

The SHCIP project has engaged a broad spectrum of community leaders, medical experts, consumers, partners from business and industry, nonprofit organizations and more in discussions on strategies with the potential to improve our state's health care system. The planning process is bringing together representatives of various private and public sector groups to discuss the health care system "as is" and the tools and strategies that could influence the system "to be" – with a goal of better health and better care at lower cost.

Project communication with stakeholders includes:

- Four public webinars: June 27, August 8, August 22 and October 15.
- Work groups engaging key stakeholders for direct work on the plan.
- Community visits designed to gather feedback.
- Development of a feedback network of individuals who request to receive communications from the project or who participate in a SHCIP webinar. Currently, the feedback network includes 680 individuals representing various interested organizations and the network is continuing to grow.
- Opportunities for public comment at critical junctures announced via public sources.

What alternatives were explored by the agency, and why was this alternative chosen?

This is the first step in looking at alternatives. HCA continues to reach out to stakeholders looking for opportunities to partner, share ideas and strategies, with an ultimate goal of providing better health and better care at lower cost.

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What are the consequences of not funding this package?

Lack of funding may affect Washington’s qualification for additional federal grants, which may limit progress towards meeting states requirements for health care reform.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request is to support agency request legislation.

The statutory changes/legislative authority necessary to implement the final Washington SHCIP plan submitted to the CMMI may be extensive and will require legislation beyond the scope and authority of the HCA. The plan will likely require consideration of legislation affecting multiple Chapters of the Revised Code of Washington and the statutory authority of a number of the agencies and boards participating in this process.

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

Expenditure Calculations and Assumptions:

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

Budget impacts in future biennia: